

## Summary of Legislation – HB 80

Background	Effects of Legislation	Benefits of Legislation
<b>31A-29-103, Definitions.</b>		
Because of the use of “and” instead of “or” in the construction of the definition of insurer, the definition has caused confusion within the industry.	This is a <b>technical change</b> . No change in the current industry and Department standard. Changes “and” to “or” thereby changing the definition of insurer to be any one of the sub-units and not all of the units combined. (line 88)	Corrects an incorrect definition.
<b>31A-29-104, Creation of pool -- Board of directors – Appointment – Terms – Quorum – Plan of Operations.</b>		
The two requirements being deleted were accomplished as required in 1991.	This is a <b>technical change</b> . No change in the current industry and Department standard. Deletes obsolete language. (lines 157-161)	Deletes obsolete code sections.
<b>31A-29-110, Pool administrator – Selection – Powers.</b>		
A review of this section revealed redundant language.	This is a <b>technical change</b> . No change in the current industry and Department standard. Deletes redundant language. (lines 189-190)	Deletes redundant language.
<b>31A-29-111, Eligibility – Limitations</b>		
Some insurers do not issue an individual insurance policy if the employer pays part or all of the premium because of a concern that by paying all or part of the premium, the individual policy issued becomes in fact an employer sponsored benefit plan and thus subject to group insurance rules.	This is a <b>technical change</b> . No change in the current industry and Department standard. Clarifies that if an individual’s employer pays any part of the premium for the individual’s or the individual’s dependent’s HIPUtah policy, that the individual or the individual’s dependent is ineligible for a HIPUtah policy. (lines 248-249 and 267-270)	Makes an individual or an individual’s dependent ineligible for a HIPUtah policy if an employer pays part or all of the premium for the HIPUtah policy.

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<b>31A-29-113, <i>Benefits – Additional types of pool insurance – Preexisting conditions-Waiver-Maximum Benefits</i></b>		
The HIPUtah Board studied the impact of the current lifetime maximum benefits and determined that the maximum benefits needed to be adjusted for inflation and to be consistent with maximum benefits offered by commercial insurers. HIPUtah is also the insurer of last resort.	This is a <b>policy change</b> . Increases the lifetime maximum benefit from \$1 million to \$1.5 million. (lines 348-349)	Raises maximum benefit for policyholders from \$1 million to \$2 million.
<b>31A-29-117, <i>Premium rates.</i></b>		
The HIPUtah Board of Directors uses the reports required by this section in determining the HIPUtah rates. The HIPUtah Board desires to approve the new rates at their annual meeting in March. The current reporting dates do not provide the needed information until after the annual Board meeting in March.	This is a <b>policy change</b> . Changes the reporting date from April 1 to February 1 each year. Changes the “as of date” for the information being reported from March 1 to January 1 each year. (lines 360-365)	Allows HIPUtah Board and HIPUtah to operate more efficiently.
<b>31A-29-119, <i>Benefit reduction.</i></b>		
Because the HIPUtah Board is the entity that can sue and be sued, this is a technical change to reflect that the HIPUtah Board is the entity that can have a cause of action against an enrollee and not the Pool Administrator.	This is a <b>technical change</b> . No change in the current industry and Department standard. Clarifies that the HIPUtah Board is the entity that can have a cause of action against an enrollee. (line 389)	Clarifies that the HIPUtah Board is the entity that can have a cause of action against an enrollee.